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Media Release

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1 Source: Labour Force, Australia, October 2021

Seasonally adjusted employment fell by 46,000 people (0.4 per cent) in October 2021, while participation increased (0.1 percentage points), according to figures released today by the Australian Bureau of Statistics (ABS).

Bjorn Jarvis, head of labour statistics at the ABS, said the latest data covered the period from 26 September to 9 October. This included school holidays and some early changes to restrictions associated with the Delta lockdowns, particularly in New South Wales, ahead of larger changes from mid-October.

"As we've seen throughout the pandemic, the changes in the labour markets with lockdowns continued to have a large influence on the national figures," Mr Jarvis said.

"There was early recovery in New South Wales, with their participation rate increasing by 0.8 percentage points in October. This was underpinned by increases in both employment (22,000) and unemployment (35,000), with their labour force increasing by around 57,000 people. However, it was still 218,000 people lower than in May."

"In contrast, while Victoria's unemployment also increased, by 29,000 people, employment fell by a further 50,000, with their participation rate falling by 0.4 percentage points. The Victorian labour force was 113,000 people lower than in May."

Employment, unemployment and participation

The national participation rate increased by 0.1 percentage points to 64.7 per cent in October but was 1.6 percentage points below May.

This was the first increase in the participation rate since June 2021, reflecting a large increase in unemployment (82,000 people). The large increase in unemployment and fall in employment saw the unemployment rate increase by 0.6 percentage points to 5.2 per cent in October 2021, around where it had been before the Delta variant outbreaks.

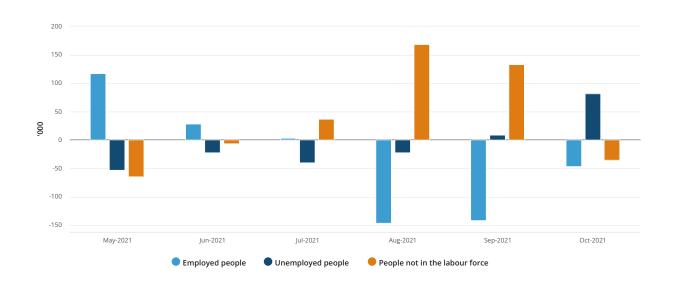
"The increases in unemployment show that people were preparing to get back to work, and increasingly available and actively looking for work – particularly in New South Wales, Victoria and the Australian Capital Territory. This follows what we have seen towards the end of other major lockdowns, including the one in Victoria late last year," Mr Jarvis said.

"It may seem counterintuitive for unemployment to rise as conditions are about to improve. However, this shows how unusual lockdowns are, compared with other economic shocks, in how they limit being able to work and look for work."

The relatively large increases in unemployment in these three jurisdictions resulted in large increases in their unemployment rates, rising 0.8 percentage points in New South Wales (to 5.4 per cent), 0.9 percentage points in Victoria (to 5.6 per cent) and 2.5 percentage points in the Australian Capital Territory (to 6.6 per cent).

Unemployment also increased in Queensland, South Australia and Tasmania, but fell in Western Australia and the Northern Territory.

Monthly changes in key labour populations, Australia



Hours worked and underemployment

Hours worked decreased by 0.1 per cent in October, a slight decline from the rise in September (0.9 per cent). This was underpinned by a further fall in hours in Victoria (4.0 per cent) and increases in New South Wales (3.9 per cent) and the Australian Capital Territory (3.1 per cent).

"Hours worked in New South Wales continued to recover, increasing by 3.9 per cent in October, following the 2.7 per cent rise in September. This was underpinned by increases in people working full-time hours as well as a further recovery among people who had been working reduced hours, though hours worked remained 7.2 per cent below the start of the lockdown," Mr Jarvis said.

"In Victoria, hours worked continued to decline more than employment (4.0 per cent, compared with 1.5 per cent). This highlights the extent to which Victorians had reduced hours or no work through October, without necessarily losing their jobs."

In the Australian Capital Territory, hours worked increased 3.1 per cent in October,

recovering part of the large fall in September (10.5 per cent).

However, the changes in hours worked partly reflected changes in the patterns of people taking leave during the school holidays.

"Fewer people in New South Wales, Victoria and the Australian Capital Territory took leave during the school holidays – during the lockdown – particularly people who work full-time. This is something that we have seen throughout the pandemic, with some people working more hours than usual during holiday periods, in addition to the large numbers of people working less than usual," Mr Jarvis said.

Across the other five states and territories changes in hours worked ranged between an increase of 1.0 per cent in Northern Territory to a 1.5 per cent fall in South Australia. Some of the combined fall in hours worked across these jurisdictions reflected more people than usual taking leave during the school holidays, in contrast to the reduced leave taken in the jurisdictions in lockdown.

The national underemployment rate increased by 0.3 percentage points to 9.5 per cent in October 2021. The underemployment rate continued to increase in Victoria (up 1.3 percentage points to 11.3 per cent), rose slightly in New South Wales to 10.6 per cent and declined in most other states and territories.

Today's release includes additional analysis of hours worked, including people working zero hours, and an analysis of employment and hours worked at the state and territory level. An additional spotlight on job attachment is also included in today's release.

Further information, including regional labour market information, will be available in the upcoming October 2021 issue of <u>Labour Force</u>, <u>Australia</u>, <u>Detailed</u> (/statistics/labour/employment-and-unemployment/labour-force-australia-detailed/latest-release)</u>, due for release on Thursday 18 November 2021.

The ABS would like to thank Australians for their continued support in responding to our surveys during such a difficult time.

Media notes

- The October survey reference period was 26 September to 9 October 2021. The November survey reference period was 31 October to 13 November 2021.
- For the criteria used by the ABS to categorise people as employed or unemployed, see the glossary page in Methodology (/methodologies/labour-force-australiamethodology/oct-2021) section of this release.

- In order to be unemployed, people must be actively looking for work, and available to start work during the reference week.
- Information on how people receiving COVID-19 support may be reflected in Labour Force statistics can be found in the following note (/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release#survey-impacts-and-changes).
- The numbers in the media release are rounded to the nearest thousand people. For more detailed numbers see the data downloads tab in the <u>Labour Force</u>, <u>Australia (/ statistics/labour/employment-and-unemployment/labour-force-australia/latest-release)</u> publication.
- The ABS has suspended publishing trend series for the COVID-19 period.
- When reporting ABS data you must attribute the Australian Bureau of Statistics (or the ABS) as the source.
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